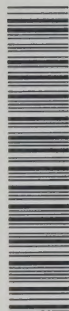


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MINUTES OF THE PROCEEDINGS
of the
12th ANNUAL CONFERENCE
of
PROVINCIAL MINISTERS OF AGRICULTURE
and
DEPUTY MINISTERS



Charlottetown, Prince Edward Island
July 31, August 1st and 2nd,
1961

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ANNUAL CONFERENCES

MINISTERS AND DEPUTY MINISTERS

DEPARTMENTS OF AGRICULTURE - PROVINCES OF CANADA

- 1950 - Toronto, Ontario
- 1951 - Victoria, British Columbia
- 1952 - Charlottetown, Prince Edward Island
- 1953 - Quebec, Quebec
- 1954 - Edmonton, Alberta
- 1955 - Fredericton, New Brunswick
- 1956 - Winnipeg, Manitoba
- 1957 - Regina, Saskatchewan
- 1958 - Halifax, Nova Scotia
- 1959 - Guelph, Ontario
- 1960 - Victoria, British Columbia
- 1961 - Charlottetown, Prince Edward Island



TWELFTH ANNUAL CONFERENCE
PROVINCIAL MINISTERS AND DEPUTY MINISTERS OF AGRICULTURE

Charlottetown, P. E. I.

July 30th — August 3rd


1961

Officials Attending

Alberta	- Hon. L. C. Halmrast Mr. R. M. Putnam
Saskatchewan	- Hon. I. C. Nollet Mr. W. H. Horner
Manitoba	- Hon. George Hutton Dr. J. R. Bell
Ontario	- Hon. W. A. Goodfellow Mr. T. R. Hilliard Mr. E. M. Biggs
Quebec	- Hon. Alcide Courcy Dr. E. Mercier Mr. Romeo Lalande Mr. Roland Lesperence
New Brunswick	- Hon. Adrien Levesque Mr. R. D. Gilbert
Nova Scotia	- Hon. E. D. Haliburton Dr. F. W. Walsh
Newfoundland	- Hon. W. J. Keough Mr. P. J. Murray
Prince Edward Island	- Hon. A. B. MacRae Mr. S. C. Wright

PROVINCIAL MINISTERS AND DEPUTY MINISTERS OF AGRICULTURE





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The Twelfth Annual Conference of Provincial Ministers and Deputy Ministers of Agriculture convened in the Legislative Chambers, Province House, Charlottetown, at 9:00 a.m. on Monday, July 31st.

The Hon. A. B. MacRae, Minister of Agriculture, called the meeting to order and his position as Chairman was confirmed on motion of Hon. W. A. Goodfellow, seconded by Hon. L. C. Halmrast.

It was agreed by the delegates present that Mr. D. E. Ward, Economist, Provincial Department of Agriculture, act as Secretary.

Mr. MacRae in a few well chosen words welcomed the delegates to the Conference and trusted that the discussions and deliberations would be beneficial to all.

Hon. W. A. Goodfellow, Hon. I. C. Nollet, Dr. Mercier, and S. C. Wright were appointed as a Press Committee.

The first matter under discussion was the Agricultural Economics Research Council of Canada, and Drs. Weir, Anderson, and Hopper were present to introduce the report from the Continuing Committee. Copies of the report were distributed to the members and Dr. Weir discussed this report, commenting on certain points as they arose, especially in connection with the organization of the Council. Dr. Hopper spoke on the financing of the Council, and on the suggestion of the establishment of an Endowment Fund.

Dr. Weir, in answer to a question, explained that the Board of Governors would appoint the Research Directorate, who in turn would appoint the Research Director.

Dr. Mercier commented on the high expense for research to be done by the staff of the Council as compared to research done by Universities. Dr. Hopper stated that a collection of highly specialized persons was needed. These persons would also direct further research by Universities.

Questions re financing were raised by Dr. Bell, Mr. Homer, and Hon. Mr. Hutton.

In the discussion by provinces Mr. Hutton felt that the independence of the Research Council must be assured, but the Government should be able to say that they want a particular research job done. In order to conduct research to find answers that the Government is looking for, the Research Council must be free of interference, but it must be guaranteed to contributing parties that they can get a job done. Mr. Hutton felt that there is a need for research and wished to hear comments from the other provinces.

Hon. Mr. Goodfellow commented that he had some doubts on the proposed Economic Council as he felt his cabinet is responsible for research programs. He expressed doubts as to whether or not he could convince his Treasury Board to allot money for the Council. Utilization of public funds for research in Ontario is to be administered by an Agricultural Research Board.

Mr. Halmrast wished a report of the thinking of this Conference concerning the Council and felt that some discussion should be held at the Premiers' Conference. His discussion may be summarized as follows:

- (a) In favour of research.
- (b) Provincial share of financing too large.
- (c) The Council proposal is on a much larger scale than he thought was contemplated at Winnipeg.
- (d) Final plans re the Council should be made at Ottawa this fall.

Mr. Nollet was of the opinion that the planning regarding a proposed Council proceeded at a very rapid pace since the Winnipeg Conference. He expressed doubts as to the independence of the Council and felt that it could not be independent. The provincial contribution is too large and he felt that many provincial projects requiring allotments from their Treasury Board were more important than the proposed Economic Research Council. Mr. Nollet was of the opinion that there are agencies available for research if

they were utilized and felt that coordination of research was needed. There is need for more "practical" research.

Mr. Levesque stated that if all the other provinces agreed on the Council his province would raise no objections. He believed the provincial contributions are too large, but perhaps this could be spread over a longer time period. The plan is excellent, but what of the future? Each province has its own ideas regarding research. He was of the opinion that time was needed to "make up our minds".

Mr. Haliburton also stated that there had been rapid development re Council organization since Winnipeg. How is basic research to be applied to the idea in mind - e.g. economic research based on human nature. He stated that economic data depends on so many outside forces. Economics does not take the human spirit into consideration. Mr. Haliburton was also of the opinion that more coordination was needed in research. He believed that this Council proposal should be discussed in closed session in Ottawa this fall

Mr. Murray stated that a modified version of the Continuing Committee's proposal would be more acceptable. A coordination of research would be of importance, particularly if the need for independence as suggested by the Continuing Committee is so important.

Mr. Courcy stated that such an organization is needed but nobody is willing to pay for it. He did not feel that the Quebec Government could afford such a large contribution.

Mr. Hilliard stated that the Council should not be financed by the endowment principle. But the endowment principle came originally from the provinces, thus indicating that the Federal Government is not doing enough in Economic Research. A body of representatives from the provinces should meet with Federal representatives to catalogue types of research needed by provinces.

Mr. Putnam also felt the need for coordination among the agencies now conducting research.

Mr. Biggs was of the opinion that if the provinces did not want to go along basically with the ideas presented by the Committee then Conference members should make up their minds before fall.

Mr. Walsh stated that the Council should start small and then expand.

Mr. Hutton cautioned the delegates not to give up the ideas presented by the Continuing Committee, but to start on a smaller scale and spread financing over a longer period of years. He felt that having research done by an independent organization would appeal to farmers. This Conference should take responsibility for taking under consideration the work which was done by the body appointed by the Winnipeg Conference.

Mr. Haliburton moved that a Committee of three be appointed to draft a resolution containing the feelings of this Conference on the report of the Continuing Committee and that this brief be presented to this Conference on Tuesday morning. This was seconded by Mr. Goodfellow. Committee named: Hutton, Goodfellow, Hilliard, Mercier.

Monday Afternoon Session

Mr. MacRae budgeted time for the remaining items on the agenda.

The first item discussed was the Agricultural Rehabilitation and Development Act, or ARDA. Mr. Walsh introduced the discussion.

ARDA is to operate under three main fields:

- (1) "Alternative Land Use" as deemed necessary by the provinces.
- (2) "Rural Development" for marginal and sub-marginal areas and farmers.
- (3) "Land Breaking", farm ponds, drainage, etc.

The Conference delegates agreed that ARDA would be useful but for the present were waiting for Ottawa to set up an ARDA "department".

Discussion took place regarding the relationships between ARDA, MMRA and PFRA, and whether or not existing policies came under ARDA assistance. These two questions are to be asked Dr. Barry.

The next item discussed was that of "Producers' Marketing Boards". Discussion led by Mr. Biggs, under two headings: "Responsibility of Government to Boards", and "Participation by Provinces". In Ontario twenty-six products, excluding dairy products, are under Boards. In some cases representatives of producers and buyers meet to arrive at price, and in other cases the Producers' Board is given power to control the product and all buyers must buy from the Board.

In a Producers' Marketing Board any powers of the Board are delegated by the Government (not given) to the producers. The Government then must supervise this power.

Mr. Hutton asked if power could be given to people without supervision and received the answer that supervision was needed. It was felt by Ontario that Marketing Boards would not work without compulsion and the control must be incorporated into original legislation.

Mr. Goodfellow pointed out that virtual monopoly is given to farmers through Producer Boards and such monopoly is subject to strict scrutiny.

Mr. Biggs stated that it is necessary to insure that Directors' elections are completely democratic.

Products sold by "one desk selling" are: Hogs, peaches, cheese, tobacco, soy beans, winter wheat, and white beans.

It was the opinion of some delegates that buyers should not bargain from one province to another for a price advantage. It was thought that Producer Boards should get together, both provincially and inter-provincially, regarding price of their product.

Mr. Walsh and Mr. MacRae mentioned the possibility of tobacco buyers coming to Nova Scotia and Prince Edward Island to purchase tobacco outside the Marketing Board.

Many of the delegates asked the Ontario representatives questions relating to the new Hog Marketing Board. It was stated that this Board is making out very well. Hogs are sold under a teletype set-up controlled by a control panel. The method works under three principles: (1) Hogs are available to all buyers. (2) They are sold to the highest bidder. (3) Complete records are kept. Under this system there is no possibility of collusion between buyers.

In answer to Mr. Hutton, Mr. Goodfellow stated that his Government encourages Marketing Boards and the principle of collective bargaining.

In discussion between New Brunswick and Quebec regarding Pulpwood Marketing Boards, the local Marketing Board establishes price with companies, jobbers, etc., and the Quebec Government has the power to set minimum price on wood cut on crown land.

The discussion on Agricultural Co-operatives was led by Quebec. A paper "Resume of Various Policies Relating to Agricultural and Fishing Co-operatives in the Canadian Provinces Hereunder Renumerated" was passed to the delegates and discussed by Quebec. Other discussion dealt with the assistance (loans, etc.) which the various provinces gave to Co-operatives.

There was some discussion on the question as to whether or not a uniform policy re Co-operatives should be adopted throughout Canada.

The Ontario Department of Agriculture is considering the establishment of a Co-operative Branch to be responsible for all work relating to Co-operatives.

Following the discussion on Co-operatives the chairman announced that Dr. Weir and Dr. Hopper would be available Tuesday morning. This prompted further discussion on the Agricultural Economics Research Council. Discussion dealt with financing of the Council, the Council's independence, the need for a coordination of research, and Ottawa's opinion re the proposed Council.

This terminated the discussions of Monday, July 31st, 1961.

Tuesday, August 1st

The first portion of the morning's discussion was concerned with the Agricultural Economics Research Council.

The Committee appointed by the Conference to prepare a report in review of the proposals of the Continuing Committee and the feelings of this Conference presented its report. Copies of this report were given to the delegates. It proposed a reduced scale of operations for the Economic Council, with an annual budget of \$200,000.00. The work of the Council would be subject for review in five years. The first work of the Council would be the coordination of present research. It was the feeling of the Conference that the Provincial contributions to the financing of the \$200,000.00 budget would be more agreeable to the provinces since the Federal Government's share of the financing would also be included in the \$200,000.00. In any case, the provinces should agree on the size of budget and on the work to be done, and then try to get the best arrangement possible with Ottawa. It was brought up that the apportionment of the provinces should be looked at further and determined on the basis of population. This suggestion did not meet with unanimous approval. If this were the case then the Ministers could go to their Governments and know the amount they are to ask for. A formula could be developed for this purpose.

Dr. Weir and Dr. Hopper were admitted to the Conference. The Chairman, Mr. MacRae, summarized the thoughts of the Conference concerning the proposed Economic Council.

In commenting Dr. Weir stated that he was expressing his personal opinion. He cautioned the delegates when evaluating the work of the Council to remember the size of its budget and how far \$200,000.00 would go in research. If the organization is set up as suggested by this Conference the freedom of the Council's work would be cut down. He also cautioned that the public would soon realize it is not a Research Council but just a group of people doing chores. Dr. Weir also stated that if the Council is organized it will be a challenge to economists to get work done.

Mr. Hutton believed that some worthwhile work could be done for \$200,000.00, especially in coordination. This was agreed to by Dr. Weir, but he told the Conference that you only get out of Economic Research the amount which is contributed.

Mr. Hilliard said that a small staff could be employed to coordinate research. Graduate students could do work directed by the Research Council.

In summarizing Mr. MacRae stated that a report would be prepared and distributed to those concerned. This would be prepared by the Committee composed of Hutton, Hilliard and Mercier.

Next on the agenda was the "Resources for Tomorrow Conference" with discussion led by Saskatchewan.

Mr. Horner provided notes on the Conference for the delegates. In these notes is outlined the program of the Resources Conference, together with comments on the various subjects. In his discussion Mr. Horner pointed out that except for workshops in the Tuesday proceedings agriculture will be very much in the minority. The remaining workshops deal with water, urban growth, wildlife, recreation. During such workshops the delegates particularly concerned with agriculture will have to be active in order to keep the subject of agriculture before the Conference.

In the discussion between the provinces concerning the Resources for Tomorrow Conference it was felt that agriculture may not be given the concern which it should be given and that agricultural delegates will be outnumbered by those having other interests. However, the Minister from Nova Scotia pointed out that one of the purposes of the Conference was to examine inter-relationships between resources and that delegates should go to the Conference with open minds.

The next item brought up for discussion was that of Crop Insurance. A report, "Crop Insurance in Manitoba", given to the Conference, was read and commented on by Mr. Hutton. For the information of the Conference another Manitoba publication, "Don't Gamble - Protect Your Farming Investment with Crop Insurance", was distributed.

Mr. Hutton first commented on the effects of the drought in Manitoba and felt that many settlements under Crop Insurance provision would have to be made.

In discussion on Hail Insurance it was stated that only a small percentage of farmers in Manitoba were covered by hail insurance. The province provides hail insurance coverage but is only liable for 60% of the long term crop average. Private companies also carry hail insurance and use their own adjustors in settling claims.

It was mentioned that crop insurance becomes Canada wide then the Federal Government would, or should, have to share in crop loss.

In answer to a question regarding the necessity of "having to go out and sell" crop insurance the Minister from Manitoba felt that agriculture has to learn to grow up in the sense that it is the responsibility of the farmer to protect himself since crop insurance is no different from any other type of insurance.

In answer to Quebec, Manitoba stated that administration costs were shared 50-50 with the Federal Government.

Nova Scotia asked the chair if any other province is going to enter the crop insurance field under Federal assistance. Mr. MacRae replied that Prince Edward Island will provide crop insurance next year for potatoes with the possibility of other crops being included. In this plan the yield of potatoes at 60% of long term average is insured. This insurance will be valid for all reasons of crop failure up to the average date of the first fall killing frost. In this agreement the Federal Government will pay 50% of the administration costs and 20% of the cost of the premium.

In answer to a question from Saskatchewan, Manitoba replied that interest paid on money borrowed to finance crop insurance was incorporated into the premium cost.

Classification of Agricultural Products

Mr. Gilbert of New Brunswick led discussion on this topic. Mr. Gilbert has contacted all the provinces regarding compulsory provincial grading.

In the discussion following Mr. Gilbert's presentation Mr. Biggs stated that products for interprovincial and export trade came under Federal grading jurisdiction and in many instances there is some difference between these grading regulations.

There was considerable discussion regarding the inspection or lack of inspection on meat sold through retail outlets. It was reported that in Ontario the output of many small killing plants finds its way to stores. This is the case in other provinces as well. Saskatchewan stated that uninspected meat was a problem in small towns. In the larger cities the chain stores and other supermarkets handle only inspected products.

Many killing plants come under Department of Health regulations. Alberta reported that about 80% of the meat sold in that province is Federally inspected while much of the remaining 20% would be slaughtered under Department of Health supervision.

Nova Scotia reported that many butchers in that province are asking for inspection so that their products will be more acceptable to the trade.

In Ontario the problem of uninspected meat is mainly with beef. In the case of hogs, small butchers may buy from farmers but everyone else buys from the Hog Marketing Board.

In the discussion regarding licensing of butchers, etc., Mr. Biggs believed that a rigid inspection and licensing program could be controlled. This ended the Tuesday morning discussion.

Discussion on the problem of uninspected slaughter carried on into Tuesday afternoon. Among the questions raised was the question of "humane slaughter" in small plants, licensing and shortage of Vets for inspection duties. The Minister from Nova Scotia was of the opinion that a Committee should be established from this Conference to study this question of uninspected meat, province by province. Mr. Walsh stated that he has written each province asking their opinion in this matter. Nothing more was done regarding a

Committee pending a reply to Mr. Walsh from the provinces.

Following this discussion the Chairman asked Mr Wright to read letters addressed to the Conference. The first letter was from the Deputy Minister of Labor. A Conference dealing with Vocational Agricultural Training is to be held this fall in Paris. Three representatives are asked to go from Canada. Two men have been chosen and it was suggested that the provinces name the third. In the discussion it was felt that it would be difficult for a Conference of this kind to nominate some one. However, the person sent should be one having a close connection with vocational agricultural training in a province. Following more discussion it was agreed that the names and qualifications of all suitable persons be sent to Ottawa and leave the selection up to them. Two names were suggested: Mr. J. E. Hawker from Alberta, and Mr. J. P. Lettre from Quebec.

The second letter, from Dr. Bell, dealt with the problem of Turkey Support Prices and Imports from the United States. Dr. Bell explained the concern of Manitoba turkey producers on the method by which the four million pound import quota is administered. Turkey can be imported into the country in any month, or 50% of the quota may be imported in any quarter. Importers use this quota as a means of influencing price of the Canadian product, especially during the months of January, February and March. The quota of four million pounds refers to whole carcasses only. Eviscerated birds and other turkey products are not restricted.

The proposed support price in Canada this year is 23 cents for birds weighing ten to twelve pounds, and eighteen cents for heavies. This would permit retailers to take the the excess Canadian supply off the market and thus give Canadian producers a fair return. It is also the feeling of Manitoba that the four million pound import quota should be spread over the whole year.

Following some discussion by the provinces it was agreed on suggestion by Mr. MacRae that the "turkey problem" be discussed with Dr. Barry.

At this point in the Conference Mr. Nollet found it necessary to leave. Before doing so he suggested that this Conference send its regrets to Dr. Graham and Mr. Hamilton for being unable to attend this meeting.

The next item of business brought before the meeting was introduced by Ontario and concerned the Ontario Veterinary College. The College enjoys a fine reputation and provides excellent facilities. It is now necessary to raise the tuition fees from \$350.00 per year to \$500.00 per year, to come into effect in September 1962. Mr. Hilliard presented some figures showing ranges in tuition fees at selected Universities in both the United States and Canada. In a recent study done at the Ontario Veterinary College the net cost per student per year at that College was \$1,922.00. The Ontario officials are being pressed to cut down the cost of operation and maintenance at the College. During the 1960-61 term there were 276 Canadian students and 37 students from other countries at the College. Mr. Hilliard made the suggestion that perhaps each province could provide a subsidy of \$250.00 per student to attend the Ontario Veterinary College. On the basis of 1960-61 enrolment Mr. Hilliard showed the total cost to each province if they decided to subsidize their students in this manner.

In the discussion following Alberta mentioned that it has had requests to build a Veterinary College. At the present time there are 113 students from the Western Provinces at the Ontario Veterinary College. Ontario noted that in the foreseeable future there will be no problem for the Veterinary College in that province, and in Quebec, to meet future requirements for student admission, due, in part, to the fact that entrance requirements are very high.

Since the first year of veterinary studies is mainly science it was mentioned by Manitoba that that province is giving consideration to giving first year veterinary courses at its University. Saskatchewan mentioned that it is now doing this by agreement with the Ontario Veterinary College.

The various provinces gave information relating to the assistance now given to

their students now attending the Ontario Veterinary College.

Mr. Hilliard stated that if the proposal re the province paying \$250.00 per student towards tuition fee is acceptable to the province the Ontario officials would have to be informed before January 1962 in order to mention this subsidy in the College calendar.

Continuing with other subjects Ontario brought up the "dairy problem". Mr. Biggs mentioned that Ottawa has been critical of Ontario and Quebec for over-production. However, the overall surplus of milk and butter fat is small since much of it is taken up in manufacture. The fluid milk producers do have a surplus problem. Over the years there has been a drop in consumption of some dairy products particularly butter. In part at least the "dairy surplus" is a federal problem prompted by some of its farmer support price programs. Some action by the Federal Government should be taken on butter. A consumer subsidy was suggested at one time, but as yet no action has been taken. With the thought of over-production Mr. Biggs pointed out that Ontario really cannot think of reducing production. Mr. Biggs also mentioned the possibility of a Milk Marketing Board in Ontario's future.

The question of skim milk powder was also discussed. Under the old Ottawa Support Policy many plants went into the manufacture of skim milk powder for sale to Ottawa. Mentioning cheese at this point, it was pointed out that there is a possibility of an export market for cheese, but no cheese policy exists. If, however, surplus milk could go into cheese manufacture this would help to reduce the butter fat surplus and also the quantity of milk available for powder manufacture. The question was raised as to whether, or not, it would be possible for Ottawa to control the quantity of milk powder the plants would be allowed to manufacture.

The delegates agreed that the butter situation is serious. At the present price level consumption is dropping and use of substitute products is increasing.

Mention was made that in some cases butter sold is of poor quality. Ontario stated

that they had passed a regulation stating that all butter sold in the province must be graded.

On suggestion of Mr. MacRae the meeting agreed to hold further discussion re the dairy problem with Dr. Barry.

An agenda was drawn up for the meeting with Dr. Barry. This included ARDA, relationships between ARDA, PFRA, and MMRA, Turkey Supports, Agricultural Economics, Research Council, Dairy Supports, Inter-provincial Co-operation on Marketing, and the Forage Seed program.

Before adjournment a few more topics were discussed. Mr. Haliburton suggested that since agricultural delegates would be in the minority at the Resources for Tomorrow Conference a meeting of agricultural delegates be held before the Conference. At this meeting delegates could be divided to represent their respective zones - Maritime, Central, and Western. Throughout the Conference they could meet for discussion in order that agriculture receive its share of attention at the Conference. This Conference agreed with the proposal and Mr. Haliburton said that he would arrange the meeting in advance of the Resources Conference.

The location of the 1962 Ministers' and Deputies' Conference was then brought up. After discussion, on motion of Mr. Haliburton, seconded by Mr. Halmrast, Quebec City was chosen. Newfoundland extended an invitation to have the Conference in that province in 1963.

The cost of Conference travel was discussed next. Mr. Hilliard mentioned that many national committees on different subjects have been formed. Delegates from provinces are requested to attend. All provinces' travel expense is high and in some provinces at least a cut back on travel expense may be necessary. The question was asked as to whether or not it was the responsibility of the inviting body to pay travel expenses.

Mr. Gilbert mentioned a suggestion that Canadian Conference be held no further

West than Winnipeg and no further East than Quebec City.

One of the delegates mentioned the possibility of having the cost of travel to Ottawa meetings discussed with Dr. Barry.

This concluded the Conference discussions and Mr. MacRae thanked all members for their cooperation.

Wednesday - a.m.

The first item for discussion with Dr. Barry was the item of ARDA and the relationships between ARDA, PFRA and MMRA. Dr. Barry explained that there would be no active operation of ARDA until a director is appointed. This is expected in two or three months and discussions with the provinces will start then. Technical assistance is available. The ARDA organization itself will have only a small staff. In the near future no complete integration of ARDA and PFRA is planned. In the West projects might be developed under ARDA in fields in which the PFRA is active. There will, in such cases, be an integration of personnel, etc. In the case of community pastures ARDA may go one step further than PFRA. As the years go by ARDA and PFRA may become closely related.

Turning now to ARDA and MMRA, Dr. Barry explained here that since the work of the MMRA is about finished integration would take place more quickly than would be the case with PFRA. In giving a personal opinion Dr. Barry believed that one of the first things to be done under ARDA would be a discussion with the provinces concerned to plot long range plans together with an appraisal of area of need. In answer to a question Dr. Barry stated that the Rural Development program in Prince Edward Island would be directly an ARDA operation. To an inquiry from Alberta Dr. Barry stated that any land taken over under ARDA would be by joint agreement with the province. The question of title is not important. It is the use to which the land is put. Programs would be initiated by the province and such things would be long range projects.

Mr. Murray inquired as to when funds would be available where PFRA and MMRA do not exist and there is work to be done. In reply it was stated that funds for projects

undertaken under terms of ARDA would be provided for in Federal budget estimates. Some projects may be considered by this winter so that provisions for funds would be made in the budget estimates.

In reply to another inquiry it was stated that studies of an economic and rural sociology nature would be one of the first steps of the ARDA program.

Mr. Hilliard mentioned that some provinces have not done as much planning for ARDA projects as other provinces and asked if sufficient funds would be available for all projects.

Dr. Barry stated that the amount needed for each year would be budgeted for and once a project is approved funds will be available each year until its completion. Dr. Barry pointed out that ARDA must deal individually with each province.

The next item was the question of Turkey Supports and Imports Quotas. In replying Dr. Barry gave a short history of Turkey Supports. About four years ago the Canadian turkey industry was facing heavy competition from the United States. Turkeys were let into Canada under an import permit control under Trade and Commerce regulations. Import controls were allowed only if the product were under support in Canada. Therefore, to comply with the law price supports were put on turkeys. At first no quota was set under import permit control. Then a quota for imports was set at 4 M pounds with no more than 1 million pounds entering Canada in any quarter. This was later raised to 2 million in any quarter. Dr. Barry explained that this is a situation that has to be tolerated. By and large the turkey producers do not want price supports. But in order to have import quotas price supports are necessary. The Federal Department would not be able to tighten up on imports to prevent Canadian prices from being depressed.

Mr. Biggs introduced the discussion of dairy problems. As before he stated that Ontario and Quebec feel as though they are being blamed for over production but nothing can be done about this. The present situation may be due to former Federal Government policy. The butter problem is of prime importance but nothing is being done about it. The

only solution for butter is price and quality in some cases.

Dr. Barry stated that this dairy surplus concerns the whole country. A difficulty with the dairy industry is that it is a segmented industry with some parts being supported Federally, and other parts supported Provincially. Possibly there could be an integration of Federal and Provincial Government interests. Dr. Barry drew a comparison stating that the surplus milk produced by fluid milk shippers equalled approximately the butter surplus. Some steps may, therefore, have to be taken to keep fluid milk producers shipping only to the fluid milk market. Something drastic will have to be done with butter and dry skim milk. In the case of butter this may have to take the form of either a lower consumer price or a reduction in total production.

There were some opinions from the delegates regarding the fact that many farmers are wholly dairymen and production has to be maintained or even increased in order to pay for mechanization.

Ontario stated that they hoped to have a Milk Marketing Board in the future. Many dairies have been taking advantage of high test milk and selling the butterfat at a profit. The differential on the Toronto market has now been raised. Equality between producers of milk for different purposes is necessary. The fluid shippers have been living under an umbrella. The producers should have control over the milk, not the distributors.

Some delegates suggested that the dairy industry itself is not doing much to reduce the butter surplus by selling 2% milk.

Regarding the manufacture of skim milk powder, Dr. Barry stated that the Government could not put a quota on the amount of powder that plants could manufacture but a limit could be put on the amount of powder purchased by the Government.

Turning to butter again some delegates mentioned that butter price now makes this a luxury item and that even farm families are turning to the use of margarine.

Regarding a consumer subsidy, Dr. Barry stated that even if price to the consumer were lowered this would be no guarantee that consumption would increase.

Again referring to consumer subsidy, Dr. Barry was of the opinion that the Federal Government may act sooner if the dairy industry showed that it was willing to help.

Inter-provincial cooperation in marketing and the extent of Federal assistance was discussed next. Dr. Mercier was of the opinion that some buyers use one province against another in bargaining for price on products manufactured in both provinces. Marketing within the province is a provincial responsibility but Quebec is interested in knowing how far the Federal Government would go in assistance in marketing interprovincially.

In asking for clarification of this request Dr. Barry stated that Marketing Board regulations give permission for the Provincial Boards to do inter-provincially what they are now doing provincially and inquired as to what form of Federal legislation can do more than is now being done.

In discussion regarding clarification it was asked if producer group control could be established for provinces (i.e. Ontario and Quebec) which would be binding and have the power of price negotiation.

Dr. Barry agreed to ask authorities if it would be legal for inter-provincial boards to negotiate for price if this is what is wanted.

In discussion from the provinces Dr. Walsh asked why the Provincial Marketing Boards did not appoint some agency as their bargaining agent - i.e. hogs in Nova Scotia and New Brunswick sold through MCS as bargaining agent.

Dr. Barry pointed out that there is a difference between Marketing Boards dealing with a product and actually negotiating for price.

During other discussion Ontario pointed out that the Ontario Hog Marketing Board controls only hogs produced in Ontario. Regulations may be available this fall for hogs of other provinces to be sold through Ontario Board.

The discussion on Forage Seed was lead by Mr. Horner of Saskatchewan. He was of the opinion that some varieties of seed have been released for propagation and sale too prematurely. Many of these varieties do not have any obvious advantage over existing

varieties.

Dr. Barry stated that a closer look would have to be taken at the whole procedure of releasing new varieties. Perhaps the Canadian Seed Growers' Association would have to be associated with the distribution of seed.

Ontario mentioned a case where a commercial seed company wanted exclusive rights to a seed developed in Ontario. Federal direction was needed in this regard. The question was left open as to whether or not there would be changes in regulations, re distributing of new varieties.

Saskatchewan wished a better review of varieties before they are released and Ontario stated that once a new variety was proven the promotion of that variety could be done from the commercial trade.

It was also mentioned in discussion that in the United States individual seed houses are becoming associated with certain varieties and there is really nothing to prevent this from happening in Canada. If seeds are brought into Canada then Canadian producers do not have a chance to share in propagation of those seeds.

This ended the session for Wednesday morning.

Wednesday afternoon

Re: Agricultural Economics Research Council.

The report of the Committee of this Conference re the Economics Council was read for Dr. Barry's benefit by Mr. Hutton.

In commenting, Dr. Barry stated that this Conference took a very sensible approach to the Continuing Committee's report and feels that this approach is more likely to get action.

Regarding expenses of the Continuing Committee, it was stated by Dr. Barry that he received approval from the Treasury Board to cover the expenses, but with no further commitment at this time by the Federal Government. These expenses include the expenses and salary of Dr. Hopper.

Following discussion of this Conference's report re Economic Council it was decided to accept it as presented. The report is to be mimeographed and forwarded to the Chairman of the Continuing Committee and is to be discussed by the Fall Conference of Ministers and Deputies.

In the remaining discussion the delegates were of the opinion that the report from this Conference is what the Ministers are prepared to submit to their respective Governments. The only thing not yet decided is each Government's contribution to the financing of the Council.

The delegates then asked Dr. Barry to comment on Britain's decision to enter the common market. In the discussion following it was pointed out that the agricultural policy is the most difficult aspect of the common market. The members of this association are determined to have a common agricultural policy. Consequently, Canada should look at this move with concern, especially in the long run. Although some exports will not be affected exports of wheat, apples, and cheese may cause concern. Britain may not be always able to give Canadian goods free entry into the British market.

The last item to be discussed concerned lamb marketing. Dr. Barry stated that the Federal premium on lamb carcasses will be \$2.00 for A's and \$1.00 for B's.

Regarding production, consumption and imports of lamb into Canada, Manitoba asked if there was any legal way in which local lamb may be marked to distinguish it from imported lamb. In answer it was stated that any such marking within a province would be a provincial responsibility.

Dr. Barry stated that requests are coming to the Federal Department regarding imported meats to either refuse to mark with the Canada grade mark or to mark the country

of origin. If the Federal Government does this it would have to be done with meats imported from all countries. Then what would Canada gain by doing this as opposed to what Canada may lose by other countries refusing to grade Canadian products.

As senior Minister present Mr. Halmrast then moved a vote of thanks to Mr. MacRae, Mr. Wright, and the Government of Prince Edward Island. Thanks were also extended to Dr. Barry for his useful information.

In accepting this thanks Mr. MacRae stated that Prince Edward Island was happy to be able to host this Conference. He extended the regrets of the Province to the West suffering from drought, and to Newfoundland suffering from forest fires. The Province also regretted the fact that representatives from British Columbia were unable to be present. Mr. MacRae asked Dr. Barry to give the regards of the Conference to Mr. Hamilton and stated that the delegates were looking forward to the Quebec Conference.

Meeting then adjourned.

